

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Review Item:

Report on School Facilities Evaluation Task Force

Applicable Statute or Regulation:

House Bill 380 (Budget Bill of the 2006 General Assembly)

History/Background:

House Bill 380 states:

School Facilities Evaluation: The Kentucky Department of Education (KDE), in partnership with the School Facilities Construction Commission, shall conduct a comprehensive evaluation of the current facilities planning process, the process for categorizing schools for planning and funding purposes, major plant maintenance planning and implementation, the process used to determine unmet school facility needs, and the degree of equity in the distribution of state capital funds. The department shall involve local superintendents, finance officers, facility managers and other local school personnel, consultants who are knowledgeable in school facilities planning and construction, and others as deemed appropriate.

The evaluation shall consider:

- (a) The feasibility of adding weights for special needs or situations, including but not limited to student growth, inadequate classroom space, student accommodations, health and safety needs, compliance with the Americans with Disabilities Act, school district size, and overall building condition as certified by the Department of Education, in the calculation of unmet needs;
- (b) The adequacy of long-range planning for plant maintenance, procedures for improving long-range planning, and the appropriate level of monitoring by local and state officials;
- (c) Measurable, objective criteria for categorizing schools for local planning purposes and for the distribution of state capital funds;
- (d) A waiver system to accommodate special facility needs;
- (e) The level of technical assistance and training that is necessary to ensure that local school district personnel are knowledgeable of the facility planning process, capital construction funding mechanisms, and long-range planning and examine the

most effective methods for providing technical assistance and training; and

(f) A detailed review of all capital funding sources, and a study of local effort, to include an examination of the individual and cumulative effect of multiple funding sources on the equitable distribution of state capital construction funds and the effects of permitting individual school districts to levy additional taxes for construction purposes based on special or unique circumstances in that school district.

Notwithstanding KRS 157.622, the School Facilities Construction Commission, in cooperation with the Urgent Need School Trust Fund Advisory Committee, shall incorporate the findings and recommendations of this evaluation in determining the 2006 Offers of Assistance to local school districts. The School Facilities Construction Commission is authorized to make the 2006 Offers of Assistance prior to completion of this evaluation if sufficient data and other information are available.

A preliminary report shall be made to the Interim Joint Committee on Appropriations and Revenue no later than September 15, 2006, and a final report, including recommendations for regulatory or statutory change, shall be made no later than September 30, 2006.

Responding to this mandate, staff in the Office of District Support Services convened a twenty-member School Facilities Evaluation Task Force comprised of superintendents, finance officers, facility managers, other local district personnel, architects and consultants. The School Facilities Evaluation Task Force met for the first time on Monday, May 22, 2006. At that time they were given an overview of the task and were divided into subcommittees to consider the following:

- Current facilities planning process
- Process for categorizing schools for planning and funding
- Major plant maintenance planning and implementation
- Process for determining unmet need

The subcommittees and/or full task force are scheduled to meet at least ten more days before the end of September. In addition, they will be working together through email and phone calls.

The sixth area mentioned in the text of House Bill 380, the evaluation of the degree of equity in distribution of capital funds, is the primary focus of the work to be performed under the contract resulting from a Request for Proposals (RFP) that was issued on May 23, 2006. The RFP was issued to solicit proposals from qualified individuals or firms to complete a detailed review of all capital funding sources. The review shall include a study of local effort and an examination of the individual and cumulative effect of multiple funding sources on the equitable distribution of state capital construction funds and the physical environment. The review shall also consider the effects of permitting individual school districts to levy additional taxes for construction purposes based on special or unique circumstances in that school district.

The primary sources of capital funds for Kentucky's local districts include:

- 1) Capital Outlay, based on average daily attendance;
- 2) Facilities Support Program of Kentucky (FSPK), based on local district property wealth; and,
- 3) School Facilities Construction Commission (SFCC), based on identified needs of local districts.

Other smaller funding sources are also available including, but not limited to:

- 1) A tax levy authorization for growing districts and state equalization for some;
- 2) State equalization for districts that have obligated at least ten cents equivalent tax levies for facilities and are not equalized through other sources;
- 3) State equalization for districts that levied a nickel beyond that required for FSPK that was recallable; and,
- 4) Direct state appropriations for special projects.

Over the last several biennia, the General Assembly has provided a direct appropriation of state funds for a number of projects outside the normal funding stream, i.e., Capital Outlay, FSPK and SFCC. Many of the projects were categorized as some of the worst buildings in the state. This practice has now encouraged local districts to lobby for additional projects outside the normal process, many on grounds that the building needs of the district are, in some way, unique. In an effort to bring more order to funding decisions, in 2005 the General Assembly directed the Office of Education Accountability (OEA) (a research arm of the General Assembly) to study the School Facilities Construction Commission (SFCC) and the school facility funding system. The report raised many more questions that precipitated the mandate for this report.

The successful bidder resulting from this RFP will provide a draft report to the Kentucky Department of Education no later than August 31, 2006, and a final report no later than September 22, 2006. The report shall address the evaluation of the funding mechanisms including an assessment of the equity in the distribution of the funds. The report shall also address the equity in the end result of the facility funding, i.e., the physical environment resulting from the expenditure of these funds by districts.

KDE has also issued a Request for Proposals for a writer for reports resulting from comprehensive studies of school facilities evaluation, school calendars and a study of the requirements for data security.

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